



## Potential Changes to Retiree Return to Work Rules

The 2011 Legislature enacted [Engrossed Substitute House Bill 1981](#), changing the law for retirees who return to work (RRTW). As the law went into effect, the Department of Retirement Systems (DRS) discovered that an unintended exception existed in the language of the bill that affects Public Employees' Retirement System (PERS) retirees. Legislation to amend the law was introduced, but failed to pass the Legislature in 2013 and again in 2014.

For the upcoming 2015 legislative session, the Select Committee on Pension Policy will request an amendment to ESHB 1981; however, it will be necessary for us to apply the 2011 law as enacted if the amendment does not pass this session, and the potential rules in the last column in the chart below will be implemented on August 1, 2015.

System/Plan you retired from	Type of position you're working in*	Current RRTW Rules	Potential Rule Changes Effective 8/1/2015
PERS Plan 1	Eligible	Can work up to 867 hours in a calendar year before benefit is suspended.	No change.
PERS Plan 1	Ineligible	Can work unlimited hours.	If in a PERS or Higher Ed position (including Higher Ed TRS faculty positions), can work up to 867 hours in a calendar year before benefit is suspended.  If in a position covered by any other DRS system, no change.
PERS Plan 2/3	Eligible	Can work up to 867 hours in a calendar year before benefit is suspended.	If in a PERS or Higher Ed position (including Higher Ed TRS faculty positions), no change.  If in a position covered by any other DRS system, benefit is immediately suspended.
PERS Plan 2/3	Ineligible	Can work unlimited hours.	If in a PERS or Higher Ed position, (including Higher Ed TRS faculty positions), can work up to 867 hours in a calendar year before benefit is suspended.  If in a position covered by any other DRS system, no change.

\*If you're unclear about the type of position you're currently working in, please check with your employer.

## **Possible Amendment to the Law for ESHB 1981 Questions and Answers**

### **1. Wasn't ESHB 1981 implemented in 2011?**

Yes. The law was implemented in 2011 ([Engrossed Substitute House Bill 1981](#)). It changed the rules for retirees who return to work in certain systems and plans. However, as ESHB 1981 went into effect, DRS discovered that an unintended exception existed in the language of the bill. This language affects PERS retirees who return to work.

### **2. Did DRS try to correct the oversight?**

Yes. DRS began procedures for making an amendment to the law, but it failed to pass the Legislature in 2013 and again in 2014.

### **3. Will there be another attempt?**

Yes. For the upcoming 2015 legislative session, the [Select Committee on Pension Policy](#) will request an amendment to ESHB 1981.

### **4. What if the third attempt at making an amendment to the law fails?**

It will be necessary for us to apply the 2011 law as enacted if the amendment does not pass this session. If this happens, the implementation date will be August 1, 2015. Please refer to the chart on page 1.

### **5. What happens if the amendment passes?**

No changes will be necessary. There will be no affect to PERS and Higher Education employees.

### **6. Who do I contact if I have more questions about the PERS RRTW changes?**

Please contact us at 360-664-7068 or toll free at 800-547-6657 ext. 47068.

## **Examples\***

### **Immediate suspension of benefits**

Tom retired from PERS (Plan 2 or 3) and returned to work in an eligible position as a teacher (in the Teachers' Retirement System) for a school district.

- Currently, Tom can work up to 867 hours in a calendar year before his benefit is suspended.
- If the amendment doesn't pass, beginning August 1, 2015, Tom's benefit will be suspended immediately.

### **Limited to 867 hours**

Karla retired from PERS (Plan 1, 2 or 3) and returned to work in an ineligible position counting fish (a PERS position) for a state agency.

- Currently, Karla can work unlimited hours.
- If the amendment doesn't pass, beginning August 1, 2015, Karla's benefit will be limited to 867 hours in a calendar year.

### **No changes**

Reid retired from PERS (Plan 2 or 3) and returned to work in an ineligible position as a substitute bus driver (in the School Employees' Retirement System) for a school district.

- Currently, Reid can work unlimited hours.
- If the amendment doesn't pass, Reid can continue to work unlimited hours.

\*These examples are for illustrative purposes only and do not represent all possible scenarios.